

# **EXHIBIT 11**

## **CONFIDENTIAL**

In accordance with a protective order, the enclosure(s) shall be treated as confidential and shall not be shown to any person other than those persons designated in paragraph 8.2 of the paragraph order.

James McAndrews  
TNB USA Inc.  
25 Marshall St. Suite 2D  
Norwalk, CT  
06854

Ryan Scarborough  
Williams & Connolly LLP  
680 Maine Avenue SW, Washington, DC 20024

Dear Ryan,

Included in this document are the responses to the subpoena that you served to TNB USA Inc. related to the Custodia lawsuit versus the Federal Reserve.

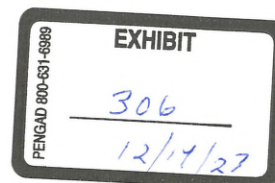
The responses consist first of a letter from Michael Held, then general counsel of the Federal Reserve Bank of New York, to Thomas Dewey. That letter is responsive to the demand to provide any documents in TNB's possession that shed light on the views of the Board of Governors regarding TNB's application for an account. The second item is a questionnaire provided to TNB earlier this year by the Federal Reserve Bank of New York, which is responsive to the demand to reveal the status of TNB's application. As the questionnaire shows, the Federal Reserve Bank of New York is in the process of evaluating TNB's application under the 2022 guidance of the Board of Governors.

TNB is not in possession of the Board of Governors friend of the Court brief, submitted to Judge Carter of the Second Federal District in March 2019. It would provide further insight into the Board's views on the matter.

Sincerely,

James McAndrews  
CEO  
TNB USA Inc.  
June 23, 2023

CONFIDENTIAL



TNB-0000001

**FEDERAL RESERVE BANK *of* NEW YORK**

33 LIBERTY STREET, NEW YORK, NY 10045-0001

**MICHAEL HELD**  
GENERAL COUNSEL AND  
EXECUTIVE VICE PRESIDENT

May 16, 2018

Thomas E.L. Dewey  
Dewey, Pegno & Kramarsky LLP  
777 Third Avenue  
New York, New York 10017

Dear Mr. Dewey:

I write in response to your letter dated April 30, 2018 demanding that the Federal Reserve Bank of New York (the "New York Fed") formally advise TNB USA Inc. ("TNB") that it is prepared to open a master account. The New York Fed, in consultation with the Board of Governors of the Federal Reserve System ("Board of Governors") (collectively, the "Federal Reserve"), is not currently in a position to make such a representation. In this regard, please note that senior policy officials at the Board of Governors have expressed the strong view that the New York Fed should not approve TNB's request for a master account.

First, contrary to your suggestion, we have not yet reached a conclusion as to whether TNB is eligible for a master account. As you know, TNB's business model is unique and novel. The Federal Reserve continues to analyze how the Federal Reserve Act should be applied in this context, and whether TNB qualifies under the Federal Reserve Act as a depository institution that is eligible to maintain deposits at a Federal Reserve Bank.

Second, as your client is well aware from its communications with staff at the Board of Governors, there are substantial public policy concerns regarding TNB's business model, whose sole purpose is to arbitrage the Federal Reserve's Interest on Excess Reserves ("IOER") rate. The Federal Reserve continues to evaluate these concerns and to analyze the potential conflicts that could arise between TNB's business model and the Federal Reserve's monetary policy and financial stability functions.

Very truly yours,



Michael Held

c: William C. Dudley  
Mark E. Van Der Weide

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TNB-0000002

INTERNAL FR/OFFICIAL USE // EXTERNAL



## The Federal Reserve Bank of New York Guidelines for Evaluating Account and Services Requests Document Request List

Name of Financial Institution: TNB USA Inc.	Financial Institution Submission Date:  Submitted By:
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This document request list is being provided to your financial institution in connection with the Federal Reserve Bank of New York's (the Reserve Bank) review of your institution pursuant to the Guidelines for Evaluating Account and Services Requests (the Guidelines). This represents a list of documents that your financial institution is required to submit in connection with the Reserve Bank's review under each Principle outlined in the Guidelines. The Reserve Bank may have follow-up questions or requests following its review of any documents submitted by your financial institution, including requiring your financial institution to submit additional documents. Any information obtained by any Federal Reserve Bank in connection with its review pursuant to the Guidelines, including the documents listed on this request list, may be used or disclosed by any Federal Reserve Bank in a manner consistent with section 7.3 of the Federal Reserve Banks' Operating Circular 1, *Account Relationships*.

### Instructions:

- Submit requested documents for review under each Principle.
- The Reserve Bank requires that financial institutions submit all documents at the same time unless they receive permission from Reserve Bank to submit them in stages. Generally, such permission will not be granted absent extraordinary circumstances.
- Financial institutions must include a completed copy of this request list, including the completed certification, when submitting their documents.

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TNB-0000003



## The Federal Reserve Bank of New York

### Guidelines for Evaluating Account and Services Requests

#### Document Request List

#### Certification of Documents

I, \_\_\_\_\_, the \_\_\_\_\_ of \_\_\_\_\_ of the Institution, that I am generally familiar with the business of the Institution, and that I have made such examination or investigation as necessary to enable me to provide this certification.

(name of signatory) (title of signatory\*) (name of financial institution)

I further certify, in my capacity as \_\_\_\_\_ of the Institution, that any documents provided to the Reserve Bank, including any documents previously provided to the Reserve Bank, are current, complete and correct in all respects as of the date of this certification except as the financial institution has notified the Reserve Bank.

<b>Signature of certifying official:</b>	
<b>Name of certifying official:</b>	
<b>Title:</b>	
<b>Date:</b>	

\* If the institution has an official authorization list ("OAL") on file with the Reserve Bank, the official providing this certification should be listed on the OAL and have the authority to certify the statements in this document. If the institution does not have an OAL on file with Reserve Bank (for example, if it is applying for a master account or financial services for the first time), the official providing this certification should be the chief executive officer, chief financial officer, secretary, or assistant secretary of the Institution or another officer of similar or higher rank with the authority to certify the statements in this document.





**The Federal Reserve Bank of New York**  
**Guidelines for Evaluating Account and Services Requests**  
**Document Request List**

**Requested Documents**

Please provide the following documents to facilitate the Reserve Bank's review of your financial institution under the Guidelines.

#	Document Request
1.	Most recent supervisory exam report of the financial institution conducted by the financial institution's banking supervisor (if available).
2.	Certificate of good standing of the financial institution.
3.	A certificate (in the form provided separately) from the financial institution's duly authorized chief executive officer or chief financial officer that certifies that the financial institution is engaged in the business of receiving deposits other than trust funds (as defined in 12 U.S.C. § 1813(p)), including maintaining one or more nontrust deposit accounts in the minimum aggregate amount of \$500,000 and that attaches and certifies as to the accuracy of a recent balance sheet or financial statement of the financial institution.
4.	A legal analysis regarding the insolvency law applicable to the financial institution. Instructions regarding this analysis will be provided separately in the coming weeks.
5.	Financial institution's plan as to 1) how it would make payments to its depositors and investors in the event of failure and 2) how it will to sell and collect its assets and settle its debts in the event of failure.
6.	Existing assessments from audit firms and other external assessments conducted for the financial institution's operations and activities, including financial statements, and other available assessments (if available).



**The Federal Reserve Bank of New York**  
**Guidelines for Evaluating Account and Services Requests**  
**Document Request List**

#	Document Request
7. <sup>†</sup>	<p>Additional information request on the business plan submitted on June 21, 2017 and as updated by the addendum submitted on November 14, 2022:</p> <ul style="list-style-type: none"> <li>Records, systems, controls plan (accounting and internal control systems, internal audit function)</li> <li>Financial management plan (loan review program, mitigating concentration risk, and how credit sensitive funding risks will be managed. This section should also demonstrate that sufficient capital is available to address uncertainties, as well as a clear ability to raise capital if needed)</li> <li>Monitoring and revising the plan (including how the board of directors will monitor adherence to the business plan/ adjust and amend the plan to accommodate significant or material changes)</li> <li>Updated (where necessary or appropriate) with three years of financial projections (including interest rate assumptions, operating costs, customer deposits). Include details for rate of interest to be paid on customer deposits.</li> </ul>
8.	Most recent two years of audited annual financial statements (if available), prepared in accordance with US GAAP.
9.	Most recent four quarters of regulatory financial statements filed with the financial institution's banking supervisor (if required and available).
10.	Risk management framework. This should include a risk management/tolerance policy, program overview, responsibilities, and accountability for risk decisions (e.g., limits on risk exposures, thresholds and reporting requirements), as well as general processes and procedures for risk identification, measurement and monitoring. This should include information security framework and any business continuity plans. The business continuity plan should describe processes, systems, and controls to identify and contain the scope of a disruption, mitigate its effects, and resolve the disruption in alignment with the financial institution's tolerance for disruption.
11. <b>Error! Bookmark not defined.</b>	<p>Capital and liquidity plan that describes how your financial institution intends to support its operations, obligations, risks, and business model including periods of stress. Capital and liquidity plan should include any sources of contingent capital, liquidity, and funding. The plan should describe treasury management and include current regulatory capital ratios and how they measure against US federal requirements. The plan should indicate any regulatory capital and liquidity requirements and how those requirements will be satisfied. The plan should also include the information listed below.</p> <p>Documentation on capital and liquidity plan should include:</p> <ul style="list-style-type: none"> <li>Capital projections</li> <li>Capital structure, sources of capital, and adequacy of capital relative to the risks of the business, and any planned expansion of business activities</li> <li>Projected deposit volume, fixed asset investment, and anticipated future growth in liabilities</li> <li>Unencumbered liquid asset holdings (cash, marketable securities), as well as other sources of contingency funding (e.g., lines of credit)</li> </ul>

<sup>†</sup>Items represent related type of information previously submitted, however, more detail is needed, as indicated.



## The Federal Reserve Bank of New York

### Guidelines for Evaluating Account and Services Requests

#### Document Request List

#	Document Request
	<ul style="list-style-type: none"> <li>Projected (or actual) annual operating expenses</li> <li>Cash flow projections</li> <li>Proposed asset and liability breakdown</li> <li>Liquidity projections</li> <li>Any relevant liquidity requirements levied by the state or federal chartering authority, as well as asset types that are used to satisfy those requirements.</li> <li>Recent and projected cash flow analysis that demonstrates that the financial institution maintains access to sufficient core and non-core funding to manage total net cash outflows during both business as usual and periods of significant market stress. Cashflow analysis should be accompanied by back-testing documentation, where available. Additionally, documentation should describe the financial institution's limits on its net debit position in its master accounts, and where relevant, any private sector clearing and settlement system. This analysis should demonstrate that even in stressed environments, the financial institution is able to fulfill its obligations to the Reserve Bank under Federal Reserve Banks' Operating Circular 1, Account Relationships, which includes fulfillment of overdrafts by the end of the business day. Additionally, this analysis should demonstrate that the financial institution is able to meet its obligations to depositors, customers, investors, and any relevant counterparties when due, and should highlight any payments that are time critical and/or require immediate settlement.</li> <li>Where relevant, documentation that demonstrates the financial institution's capacity to scale up its infrastructure to accommodate unexpected transaction or message volume over a short period.</li> </ul>
12. Error! Bookmark not defined.	<p>Detailed operational risk framework. This should include policy, procedures, and the following analyses:</p> <ul style="list-style-type: none"> <li>Analysis should identify core business lines, critical business functions and their supporting technology (e.g., infrastructure critical to completion of payment, clearing and settlement processes), and a risk assessment that classifies each process in terms of criticality. It should describe how controls are applied to critical processes, and how controls minimize operational risk exposures. Where relevant, service providers and third-party vendors should be identified as part of this analysis, and the financial institution should provide vendor management policy and a copy of financial institution's contract/agreement with vendor (FIS) for IT services.</li> <li>Scenario analysis should include extreme, but plausible operational events that could disrupt any critical operations or business lines, inclusive of prolonged outages. This scenario analysis should heavily consider potential events that could occur due to aspects of the financial institution's business model (e.g., cyber vulnerability introduced by crypto-asset<sup>4</sup> wallet management, operational failure due to deficient internal processes, fraud events, and/or resiliency of service providers). Analysis should include the potential impacts of an operational event on not only the financial institution (e.g., lost revenue, reconciliation costs), but also its customers (delayed payments) and downstream/upstream affiliates (i.e., supply chain risk).</li> <li>Analysis should include the financial institution's plans for recovery and resumption of critical services within specified timeframes, and these plans should prioritize completion of critical processes by the end of the business day.</li> </ul>

<sup>4</sup> A crypto-asset generally refers to a digital asset implemented using cryptographic techniques.





**The Federal Reserve Bank of New York**  
**Guidelines for Evaluating Account and Services Requests**  
**Document Request List**

#	Document Request
13.	Most recent operational risk and control assessment (conducted internally or by an independent firm).
14.	Documentation on your financial institution's Code of Conduct and Ethics program.
15.	Your financial institution's operational risk training program and training log.
16.	Details on how the proposed Federal Reserve master account and/or Federal Reserve financial services will be utilized.
17.	Details on actual and potential payment, clearing and settlement interactions and relationships between the financial institution and other parts of the payment system, including other Federal Reserve master account holders and their customers. Documentation should highlight any anticipated inbound or outbound payments that are critical to the financial institution or its counterparties' operations and/or are time sensitive.
18.	Any unique or novel product and/or service that may impact the use of the proposed Federal Reserve master account and/or Federal Reserve financial services, including unusual transaction volumes or flows.
19.	Policies and procedures pertaining to the processing of financial institution and customer payments and the operations of the proposed Federal Reserve master account, including monitoring and reconciliation of the account.
20.	Third-party risk management policy.
21.	Role of disclosure policy/document. The role of disclosure policy/document may be a standalone document or contained within another document. If it is contained within another document that is also being submitted to the Reserve Bank, please indicate where the role of disclosure policy/statement is located. As background, financial institutions that offer investment products (such as uninsured deposit accounts) provide copies of investor disclosures explaining that the financial institution does not have federal insurance and that the investment products the financial institution offers are subject to investment risks including the possible loss of principal.
22.	Information security (IS) questionnaire (provided separately). Please provide supporting documents (where necessary or appropriate).
23.	A list of any prospective relationships with Designated Financial Market Utilities.



**The Federal Reserve Bank of New York**  
**Guidelines for Evaluating Account and Services Requests**  
**Document Request List**

#	Document Request
24.	Policies and procedures to monitor inflows and outflows of funds into your financial institution's proposed master account and to govern the use of the account and Federal Reserve financial services as relevant.
25.	<p>Documentation that describes the financial institution's customer base, including customer type, location, and expected activity. This document should also address the following questions:</p> <ul style="list-style-type: none"> <li>• Who are your financial institution's intended customers (what type of institutions) and what are the eligibility requirements for customer on-boarding?</li> <li>• Are there any limitations on who can be a customer?</li> <li>• Are there any limitations on deposit size per customer?</li> <li>• Do you have existing or anticipated customer relationships?</li> <li>• How long will new customer onboarding take?</li> </ul>
26. Error! Bookmark not defined.	KYC Questionnaire and associated appendices (provided separately). Note that the Reserve Bank's previous "Due Diligence Questionnaire" has been updated and renamed "Know Your Customer ("KYC") Questionnaire," with added appendices, and must be completed.
27. Error! Bookmark not defined.	Final Bank Secrecy Act ("BSA")/Anti-Money Laundering ("AML") and Office of Foreign Asset Control ("OFAC") policies and procedures and any risk assessments of such policies and procedures.
28.	A recent report by an independent consultant or auditor evaluating the quality your financial institution's BSA/AML and OFAC compliance risk management. Please refer to the enclosed document ( <i>Instructions: Independent Consultant or Auditor Assessment</i> ) for the full report requirements.